

**MINUTES OF THE MEETING OF
THE BOARD OF THE EARTHQUAKE COMMISSION
Held at the Te Karo Room, Barry Hogan Place
9am to 3.50pm, Monday 29 March 2021**

Present:

Mary Jane Daly (Chair)
Erica Seville
Alastair Hercus
Emma Dobson
Fiona Wilson
Scott Lewis

In attendance:

Sid Miller, Chief Executive Officer
Tina Mitchell, Chief Strategy Officer
Sharlene Taylor, Acting Chief People Officer
Fraser Gardiner, Chief Financial Officer
Jaron Shaw, Chief Data Officer
Josh Lindsay, Chief Readiness Officer
Pip Andrews, Head of OnSolds
Kate Todd, Head of Canterbury Claims
Privacy ██████████, Manager Office of the CE (Secretariat)

Apologies:

Nil

The meeting was declared open at 9.00am


	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
Section 1	Board Governance		
<i>Commissioners joined the meeting at 9.00am</i>			
	Board Only		
<i>Sid Miller joined the meeting at 9.30am</i>			
	Board and CE Only		
<i>Privacy ██████████ & Tina Mitchell joined the meeting at 10.30am</i>			
1.1	Present and Apologies The Board: a) noted there were no apologies received.		
1.2	Interests Register / Declaration of Conflicts of Interest The Board: • noted there were no updates required.		
1.3	Confirmation of Board Minutes – 3 March 2021 The Board: a) approved the Board minutes from 3 March 2021 as a true and accurate record subject to the amendments discussed.		

1.4	Matters Arising and Action Points The Board: a) noted the updates to the Action Points.	Legally privileged	June 2021
1.5	Proactive Release of Redacted Board Minutes – February 2021 The Board: a) approved the public release of the redacted Minutes for its meetings on 3 February 2021.		
<i>Sharlene Taylor joined the meeting at 10.40am</i>			
1.6	Health, Safety, Security and Wellbeing Report – February 2021 The Board: a) inquired of management around the compilation of the Lead Indicators and in particular Site Risk Assessments b) noted there were five (5) Health, Safety and Security Incidents reported in February 2021; c) noted there were no Medical Treatment Injuries (MTI) or Lost Time Injuries (LTI) during this reporting period; d) noted the update provided in this report on progress with delivery of the HSSW Work Programme; and e) noted the update provided in this report on the EQC Covid-19 Response.	The Board asked the Chief Executive to review the HSSW report in partnership with Cosman Parkes to ensure it fully reports on strategic risks and insights so that the Board can better understand EQC's Health, Safety, Security and Wellbeing risk profile.	June 2021
<i>Sharlene Taylor left the meeting at 10.50am</i>			
Section 2	Strategic Priorities		
2.1	Chief Executive's Report The Board: a) noted the key focus areas outlined in the CE Report.	Management to provide a copy of the Crown Investments Framework to the Board.	April 2021
<i>Jo Horrocks, Fraser Gardiner, Josh Lindsay, Kate Tod and Pip Andrews joined the meeting at 11.30am</i> <i>Jaron Shaw joined the meeting at 11.35am</i>			
2.2	EQC Strategy 2021-2025 The Board:	Management to consider the Board and EQC's wider development needs in cultural capability, including Whakaaro	

<p>a) noted this strategy builds on the strategic choices the EQC Board made in 2019 and 2020 to invest in an Insurer Response Model, enhanced information systems and focused effort on Canterbury claims and On-Sold applications.</p> <p>b) noted the ongoing impact of insurance market trends, Government’s expectations and global trends on the strategic direction of EQC.</p> <p>c) agreed that EQC will continue to focus its recovery efforts on resolving all Canterbury claims, including claims relating to On-Solds and Southern Response.</p> <p>d) agreed that EQC will embed, enhance and monitor the Insurer Response Model over the next four years.</p> <p>e) agreed that EQC will set an industry standard for readiness by leading in preparedness exercises and contingency based planning.</p> <p>f) agreed that EQC will focus its efforts on rebuilding the Natural Disaster Fund Commercially sensitive</p> <p>g) agreed that EQC will focus its Resilience efforts on:</p> <ul style="list-style-type: none"> i. Influencing through thought leadership, advice and advocacy ii. Developing an information portal that enables consistency of information and data iii. Considering options for directly funding or subsidising risk reduction initiatives. <p>h) agreed that EQC’s enabling functions will transition their priority of effort over the next four years to support a greater emphasis on Resilience and Readiness.</p> <p>i) noted that preliminary feedback has been received from the Office of the Auditor General on the draft Statement of Intent and Statement of Performance Expectations.</p> <p>j) Free and frank</p>	<p>Māori, as part of stakeholder, partner and customer engagement</p>
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	<p>k) approved the draft Statement of Intent attached as Appendix C, for consultation with stakeholders, following the amendments discussed.</p> <p>l) approved the draft Statement of Performance Expectations attached as Appendix D, for consultation with stakeholders, following the amendments discussed.</p> <p>m) agreed the Board and ARC Chairs will approve the drafts that are provided to the Minister in April 2021, following any amendments from consultation.</p>		
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Jo Horrocks, Josh Lindsay, Kate Tod, Pip Andrews and Jaron Shaw left the meeting at 12.23pm

<p>2.3</p>	<p>2020 Budget & Economic Fiscal Update Submission & Event Response Budgets</p> <p>The Board:</p> <p>a) noted the presentation that accompanied this paper, providing further details on the budgets for the ongoing “BAU” business, Canterbury CHE, Kaikoura CHE, On-Sold Properties and Southern Response.</p> <p>In regards to the “BAU” business:</p> <p>b) noted that EQC is due to submit its final numbers as part of the 2021 BEFU exercise on 2 April 2021 and that this will include the latest accepted ILVR (Dec 20) and a view of “BAU” operating costs;</p> <p>c) noted that the 2022 and 2023 financial year numbers will be published as part of the 2021/22 Statement of Performance Expectations;</p> <p>Commercially sensitive</p> 		
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Commercially sensitive		
Decisions in train		
Commercially sensitive		

Fraser Gardiner left the meeting at 12.45pm

Commissioners adjourned for lunch at 12.45pm and attended walkthroughs for Canterbury Claims & OnSolds

The meeting was reconvened at 2.25pm

Josh Lindsay and Jaron Shaw joined the meeting at 12.25pm


<p>2.4 EQC Transformation Update</p> <p>The Board:</p> <ul style="list-style-type: none">a) noted the progress that has been made over the period February 2021 to March 2021 across the Transformation Portfolio in the attached Transformation Portfolio Dashboard;b) noted the progress update on the Insurer Response Model;	Decisions in train	
Free and frank		
<ul style="list-style-type: none">d) approved the revised integrated schedule and updated costs to operationalise the Insurer Response Model by the end of Quarter Two 2021.		

Josh Lindsay and Jaron Shaw left the meeting at 2.45pm

Jo Horrocks joined the meeting at 2.47pm

2.7	<p>MBIE-EQC Chief Engineer role, and EQC Conference</p> <p>The Board:</p> <ul style="list-style-type: none"> a) endorsed the co-creation of an MBIE-EQC Chief Engineer (Resilience of the Built Environment) role on a funding basis of a 2+2-year arrangement; b) endorsed the EQC conference and its key themes; and c) noted that Research & Resilience will subsidise the conference from existing budget (approximately \$50,000). 		
<p><i>Jo Horrocks left the meeting at 3.00pm</i></p>			
2.6	<p>Update on EQC National Reference Group</p> <p>The Board:</p> <ul style="list-style-type: none"> a) noted the progress on establishing a National Reference Group; b) noted the strong representation of Canterbury communities and the claimant voice on the proposed National Reference Group; c) provided feedback on the proposed membership of the National Reference Group; and d) noted the Board's ratification of the proposed final membership and Chair of the National Reference Group will be requested by eVote when the selection process is complete. 	<p>Management to explore the possibility of more rural, geographic and ethnic representation on the NRG</p>	
Section 3	Performance and Reporting		
3.1	<p>EQC Performance Report to 28 February 2021</p> <p>The Board:</p> <ul style="list-style-type: none"> a) noted that this paper complements the EQC's Executive Dashboard to 28 February 2021 and provides qualitative commentary on performance to supplement the quantitative information shown in the dashboard. b) noted that the EQC's Executive Dashboard to 28 February 2021 (excluding the section pertaining to 	<p>Management to report back to the ARC on the controls in place for near misses in respect of privacy breaches.</p>	2 July 2021

	<p>Kaikōura and information relating to near misses in the Privacy Breaches section) will be published on EQC’s external website by 15 April 2021.</p> <p>c) noted the exceptions and potential/ realised issues outlined within the paper.</p> <p>d) noted that the EQC’s Executive Dashboard is available for review in the Diligent Resource Centre.</p>		
Section 4	Financial and Risk		
4.1	<p>Monthly financial pack – February 2021</p> <p>The Board:</p> <p>a) noted the accompanying February 2021 Financial pack;</p> <p>b) noted that the financial pack provides a view of the month’s financial results;</p> <p>c) noted the following comments on the February financial performance:</p> <ol style="list-style-type: none"> i. Reported Surplus is above forecast levels (\$9.3m); ii. Net premium revenues were above forecast (\$0.6m), due to stronger premiums received in month; iii. Net Claims expenses were \$0.7m below forecast, driven by lower Canterbury claims costs; iv. Net Corporate Centre costs (BAU) were below forecast (\$8.0m). This is primarily due to the delay in the transfer of assets to GeoNet (loss planned of \$7.5m), together with lower workforce and consultancy costs (\$0.5m). v. The YTD Reported Surplus (\$23.9m) is largely driven by higher premiums revenue (\$2.2m), lower underwriting costs (\$11.0m) and lower net corporate expenses (\$10.8m). vi. Cash & Investments held at 28 February were \$98m. This has increased to \$260m as at 19 March, allowing the final \$50m of the Revolving Loan Facility to be repaid and cancelled on 22 March. 		
Section 5	Committee updates		
	No items discussed		

Section 6	Correspondence of Interest		
	<p>Code of Conduct for Crown Entity Board Members</p> <p>The Board:</p> <p>a) noted the Code of Conduct for Crown Entity Board Members from Peter Hughes, Public Services Commissioner.</p>		
<p><i>Commissioners, Sid Miller, Tina Mitchell and Privacy left the meeting at 3.50pm</i></p> <p><i>The meeting closed at 3.50pm</i></p>			
	<p>The next meeting is to be held on 30 April 2021.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p> <u>30 April 2021</u></p> <p>Mary Jane Daly Date</p> <p>Board Chair</p>		